

Public Opinion about Doctors' Pay

CATHERINE E. ROSS, PhD, AND JANET LAURITSEN, MA

Abstract: Public opinion about doctors' incomes was examined in a national random sample of 843 respondents; 70.1 per cent of those questioned felt physicians are overpaid. There was a high degree of agreement among various groups that physicians are overpaid, but older people and Whites were more likely to think so than younger people and other ethnic groups. People who believe that the United States is characterized by unequal educational opportunity, unfair income distribution, and limited resources were also more likely to think physicians are overpaid. (*Am J Public Health* 1985; 75:668-670.)

Introduction

Concern with the growing cost of medical care has recently focused on physicians' incomes. Although hospital costs continue to be the largest contributor to health care costs, physicians' fees continue to increase at nearly double the rate of inflation.¹ Fifty-one per cent of the general public believes that the cost of a doctor visit is unreasonable,² and the dollar gap between an average family's income and a physician's income is increasing. In 1973, the median annual physician income was \$45,000, and the median US household income was \$10,512, a gap of \$34,488. By 1982, the median physician income was \$85,000 and the median household income was \$20,171, a gap of \$64,829.^{3,4} Although physicians' incomes remain about 4.2 times that of the median household's, the increase in the real dollar difference may suggest that doctors' incomes are soaring as compared to that of the general public.

Using a random sample of US households, we address the following issues:

- Do Americans think physicians are paid too much?
- Where do physicians rank compared to other occupations in the public's perception of the fairness of their incomes?
- Do various sociodemographic groups differ in their opinion about physicians' pay?
- Do people with different beliefs about fairness, opportunity, and prosperity in the US differ in their opinion about doctors' incomes?

Methods

This analysis is based on a 1980 national random sample of the US English-speaking population, ages 18 and older. Data were collected by telephone surveys using random digit dialing. There were 843 completed interviews, a response rate of 70 per cent.

Beliefs about physicians' pay was measured by asking respondents, "I'd like you to tell me how you feel about the amount of income that different kinds of people receive for

the contribution they make to society." Respondents were asked about 15 occupations, listed in Table 1. Responses were coded too little (1), about the right amount (2), too much (3). The following sociodemographic characteristics of respondents were measured: age, race, gender, education, and family income. Three general beliefs measured were beliefs about the fairness of income distribution, educational opportunity, and growth and prosperity in the US (see Table 3 for measurement.)

Results

Table 1 lists 15 occupations rank ordered from the most overpaid to most underpaid in the public's view. Physicians rank fourth, after movie stars, professional athletes, and top executives. Approximately 70 per cent of the population thinks physicians are paid too much.

Table 2 shows how perceptions of the fairness of doctors' pay differ in different subgroups. Only two variables affect perceptions of doctors' pay to any substantial extent: a higher percentage of Whites than other racial groups,* and a higher percentage of older people than younger people think doctors are overpaid. The majority of all subgroups think doctors are overpaid.

Table 3 shows a multiple regression of the effects of sociodemographic characteristics and general beliefs on perceptions of doctors' pay. In addition to the effects of race and age, people who think that, in general, income in the US is fairly distributed, that everyone has an equal opportunity to get a college education, and that the economy will continue to grow and everyone will prosper are significantly less likely to think physicians are paid too much.

Discussion

A large majority of Americans with different incomes and levels of education feel that doctors are paid too much in relation to the contribution they make to society. The qualifier concerning contribution is important because it was possible that the public would think that, although physicians are well-paid, their contribution justifies their high incomes.

Older people and Whites are somewhat more likely to think physicians are overpaid. Since older persons are more likely to need medical care, they are hardest hit by high medical costs. Why Whites are more likely than other racial groups to think physicians are too highly paid is less clear. However, there is some recent evidence that other ethnic groups now have more positive attitudes toward the medical system, and are less skeptical about medical care than are Whites.^{5,6}

The relative ranking of physicians compared to other occupations in terms of the fairness of pay raises the issue of peoples' norms about distributive justice. Research indicates that there is a high degree of consensus on the rules people use to decide what income is fair.⁷ Two of the rules can be summarized as follows: 1) the higher prestige (or value to society)⁸ the occupation, the more pay is justified; 2) the higher the level of education the more pay is justified. Physicians have very high prestige and very high levels of

From the Department of Sociology and College of Medicine, University of Illinois at Urbana-Champaign. Address reprint requests to Catherine E. Ross, PhD, Department of Sociology, University of Illinois at Urbana-Champaign, 702 S. Wright Street, Urbana, IL 61801. This paper, submitted to the *Journal* October 26, 1984, was revised and accepted for publication January 29, 1985.

*Other racial groups in these data are 71 per cent Black.

TABLE 1—Percentage of Respondents (N = 843) Who Think People in Various Occupations are Paid Too Much, About Right, and Too Little, Rank Ordered from Overpaid to Underpaid Occupations

	Paid Too Little (1)	Paid About Right (2)	Paid Too Much (3)	\bar{x} (S.D.)
	%	%	%	
1. Movie stars and top entertainers	.5	18.8	80.7	2.802 (.411)
2. Professional athletes	2.9	18.2	78.8	2.759 (.492)
3. Top executives	1.3	24.3	74.4	2.731 (.471)
4. Physicians	2.4	27.5	70.1	2.677 (.517)
5. Government officials	4.7	25.1	70.2	2.654 (.566)
6. Landlords	5.1	41.8	53.1	2.480 (.593)
7. Skilled blue-collar workers, like plumbers or carpenters	8.7	48.3	43.1	2.344 (.632)
8. Union factory workers	14.4	55.8	29.9	2.155 (.647)
9. Scientists	22.7	55.8	21.4	1.987 (.665)
10. Middle-level managers	21.1	69.2	9.6	1.885 (.543)
11. Owners of small business	43.5	52.5	4.0	1.605 (.564)
12. College or university professors	56.4	36.1	7.4	1.510 (.631)
13. High school teachers	63.2	31.4	5.4	1.422 (.594)
14. Lower level white-collar workers, like secretaries and clerks	63.9	34.5	1.5	1.376 (.515)
15. Nonunion factory workers	67.0	31.0	2.0	1.349 (.517)

education, and thus should deserve high incomes. However, in making comparisons of the incomes of various occupations people also use a "one-to-one" rule.⁹ That is, if two jobs have the same prestige and the same level of education,

the pay should be the same. In Table 1, only one other occupation has prestige and education levels equal to physicians—professors. Physicians and professors both receive prestige ratings of approximately 78¹⁰ on a scale of 0 to 100,

TABLE 2—Percentage of Respondents in Various Sociodemographic Groups Who Think Physicians are Paid Too Much

Variable (N)	Paid too much	Difference ^a ± 95% Confidence Intervals
	%	%
Gender		
Men (369)	72.6	
Women (465)	68.2	4.4 ± 6.2
Race		
Whites (738)	71.1	
Others* (70)	63.3	7.8 ± 7.7
Education		
< h.s. degree (159)	71.1	
h.s. degree—some college (496)	70.4	2.8 ± 9.8
college degree or higher (179)	68.7	
Income (\$)		
<15,000 (281)	70.5	
15,000–29,999 (292)	69.9	1.5 ± 8.79
≥30,000 (174)	69.0	
Age (years)		
≤30 (289)	65.4	
31–49 (291)	67.0	13.9 ± 7.5
≥50 (241)	79.3	

^aDifference between high and low categories.

*71 per cent Black.

TABLE 3—Regression of Beliefs about Doctors' Pay^a on Independent Variables

	Unstandardized Regression Coefficient	(Standard error of Regression Coefficient)	Standardized Regression Coefficient
<i>Sociodemographic Characteristics</i>			
1. Age ^b	.005**	(.001)	.165
2. Family income ^b	.000	(.001)	.010
3. Race (1 = white, 0 = others)	.145**	(.059)	.088
4. Sex (1 = male, 0 = female)	.054	(.037)	.052
5. Education ^b	.001	(.007)	.006
<i>General Beliefs^c</i>			
6. Fairness of income distribution in US	-.062**	(.021)	-.106
7. Educational opportunity in US	-.047*	(.024)	-.068
8. Growth and prosperity in US	-.106**	(.043)	-.095
Constant	2.608		
R ²	.066		

^a coded 1 = paid too little, 2 = about right, 3 = too much.

^b coded intervally from low to high.

^c Belief about the fairness of income distribution was measured by asking respondents, "Some people in America receive larger share of rewards, such as income and opportunity, while others receive a smaller share. In general do you think that the way such rewards are distributed is not fair at all (1), not very fair (2), somewhat fair (3), very fair (4), completely fair (5)." Belief about educational opportunity was measured by asking, "Do you strongly disagree (1), disagree (2), agree (3), or strongly agree (4) with the statement, Every young person has an equal opportunity to get a college education." Belief in growth and prosperity was measured by, "Some people say that the economy will continue to grow as it has in the past so that nearly everyone's income can advance. Others say that fast growth cannot continue, so that if some people's incomes advance in the future, others' incomes must decline. What do you think?" Responses were coded, some will lose as others gain (0); everyone's income will grow (1).

*p < .05.

**p < .01.

and both have approximately equal educational levels of 21 years. According to the "one-to-one" rule of distributive justice, if the ratio of professors' to physicians' prestige and education is 1:1, the income ratios should also be 1:1. In 1979, the mean net income of all physicians was \$78,500.³ The mean gross income of professors was approximately \$28,000. Thus the ratio of professors' to physicians' incomes is roughly 1:3. Past theory and research indicate that this violates norms of distributive justice, and our results in Table 1 provide additional support. The modal response is that physicians are overpaid (70.1 per cent) and that professors are underpaid (56.4 per cent). Although the public believes that physicians provide a valuable service to society, they also believe that physicians' incomes are unfairly high for the contribution they make.

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